

M. Darin Hammond – Bar No. 6741  
**SMITH KNOWLES, P.C.**  
4723 Harrison Blvd. #200  
Ogden, UT 84403  
Telephone No. (801) 476-0303  
Facsimile No. (801) 476-0399  
[dhammond@smithknowles.com](mailto:dhammond@smithknowles.com)

*Attorneys for Empire Advisors, LLC, Altus Metals, LLC, and Skye Mineral Partners, LLC*

---

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF UTAH, CENTRAL DIVISION**

---

IN RE:

WESTERN UTAH COPPER COMPANY,  
  
Debtor.

**DECLARATION OF DAVID V.  
RICHARDS IN SUPPORT OF DEBTORS'  
EMERGENCY MOTION FOR  
AUTHORITY TO OBTAIN FINANCING  
ON AN UNSECURED ADMINISTRATIVE  
BASIS FILED ON OR ABOUT  
MAY 10, 2011**

Case No. 10-29159  
(Chapter 11)

Judge William T. Thurman  
  
(Filed Electronically)

---

STATE OF OHIO                    )  
                                          :ss  
COUNTY OF FRANKLIN        )

I, David V. Richards, hereby declare:

1. I have personal knowledge of the facts set forth herein, and could and would competently testify as to these facts if called to court.

2. I am general counsel for Empire Advisors, LLC, an Ohio limited liability company ("Empire"). Empire is the manager of Skye Mineral Investors, LLC, a special purpose entity that is a member of Syke Mineral Partners, LLC (herein "Skye").

3. Skye desires to purchase from the parties commonly referred to as the First, Second and Third Lien Creditors ("Secured Creditors") in the above-referenced bankruptcy matter all of their ownership, property, claims, rights, and causes of action with respect to certain loans which they made to Western Utah Copper Company and Copper King Mining Corporation prior to the filing of the Debtors' jointly-administered bankruptcy proceeding.

4. The goal of Skye is to assist the Debtors in the above-referenced bankruptcy matter in a plan of reorganization, or in the alternative a 363 asset sale, which would allow for the continued operation of the mining business and which would be a benefit to the creditors in general of the bankruptcy estate.

5. Based upon this Court's order dated February 24, 2011, the Debtors and the Secured Creditors group entered into an agreement which this Court approved, including the right of the Debtors to purchase an extension of the foreclosure sale if the Debtors would pay to the Secured Creditors \$150,000 as consideration for such an extension.

6. Skye is attempting to close the purchase of the rights of the Secured Creditors. The Debtors had the right to pay funds directly to the Secured Creditors under the agreement approved February 24, 2011 in order to postpone the foreclosure sale. Therefore, Skye was only willing to make a loan to the Debtors for \$150,000, allowing the Debtors the right to purchase the postponement of the sale through June 7, 2011.

7. Therefore, Skye and the Debtors reached this agreement for Skye to loan \$150,000 to the Debtors to secure the extension prior to the filing of the motion and the funding to Secured Creditors.

8. Pursuant to the Court approved Settlement Agreement, the First Lien Lenders noticed and scheduled a foreclosure sale of their collateral for May 2, 2011.

9. The First Lien Lenders initially postponed the foreclosure sale to May 10, 2011, upon fulfillment by Skye of certain conditions related to the closing of the loan purchase;

10. At Skye's request, the First Lien Lenders agreed to postpone the foreclosure sale to May 11, 2011, but would only agree to postpone the sale further in accordance with the extension terms contained in the Settlement Agreement.

11. Skye does not believe that, absent funds lent by it to the Debtor, the Debtor would have had the ability to purchase an extension under the terms of the Settlement Agreement.

12. Under all of the circumstances, there was inadequate time for the Debtor to obtain court approval for the administrative expense claim before the funds had to be advanced to the Secured Creditors, so Skye advanced the funds to the Debtor, in good faith, subject to the Debtor's agreement that it would promptly seek subsequent, retroactive approval of the advance as an administrative expense claim.

13. Had the foreclosure extension not been obtained, Skye believes that the First Lien Lenders would have proceeded with a foreclosure on May 11, 2011, to the detriment of all creditors in this case.

14. The loan purchase is a complicated transaction, involving many interests, many parties, many documents and many signatures, and Skye has been working diligently to complete this transaction in record time, in light of these complexities.

15. Skye understands that the agreement to loan \$150,000 to the Debtors contains no specific terms of repayment and that Skye will be entitled to a Chapter 11 administrative claim which will receive the same treatment as all other Chapter 11 administrative claims.

16. Currently the \$150,000 payment has been paid directly to Secured Creditors on behalf of the Debtor.

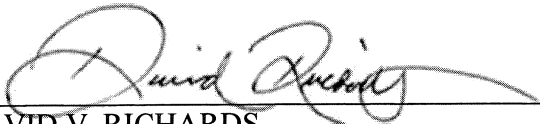
17. Skye further understands that this action is subject to court approval pursuant to the emergency hearing held on or about May 11, 2011 and pursuant to the upcoming hearing scheduled to be held May 25, 2011.

18. Skye intends to follow through with the transaction with the Secured Creditors by June 6, 2011, and has currently deposited funds escrow towards such purchase, but has not deposited \$7,700,000 in escrow. Skye intends to await further approval prior to depositing these funds and the remaining funds, and closing the transaction with the Secured Creditors or at the closing.

19. Skye respectfully requests that this Court allow for the emergency funding between Skye and the Debtors.

I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE UNITED STATES OF AMERICA THAT THE FOREGOING IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.

DATED this 23<sup>rd</sup> day of May, 2011. .

  
\_\_\_\_\_  
DAVID V. RICHARDS

**CERTIFICATE OF SERVICE**

I hereby certify that on this 24<sup>th</sup> day of May, 2011, I mailed a true and correct copy of the foregoing, **DECLARATION OF DAVID V. RICHARDS IN SUPPORT OF DEBTORS' EMERGENCY MOTION FOR AUTHORITY TO OBTAIN FINANCING ON AN UNSECURED ADMINISTRATIVE BASIS FILED ON OR ABOUT MAY 10, 2011** via First Class United States mail, or ECF transmission as follows:

- J. Thomas Beckett tbeckett@pblutah.com
- Scott S. Bell ECF@parsonsbehle.com
- David P. Billings dbillings@parsonsbehle.com
- Alan C. Bradshaw abradshaw@mc2b.com, lnordgran@mc2b.com
- Martin J. Brill mjb@lnbyb.com
- Glenn R. Bronson grb@princeyeates.com, katie@princeyeates.com
- Laurie A. Cayton tr laurie.cayton@usdoj.gov, james.gee@usdoj.gov; lindsey.huston@usdoj.gov
- Joseph M.R. Covey calendar@parrbrown.com; cparry@parrbrown.com
- Scott A. Cummings cummings.scott@dorsey.com
- Steven W. Dougherty sdougherty@aklawfirm.com, peggy@aklawfirm.com
- Mark E Freedlander mfreedlander@mcguirewoods.com, hhickman@mcguirewoods.com
- David B. Golubchik dbg@lnbyb.com, angela@lnbyb.com
- M. Darin Hammond dhammond@smithknowles.com, astevenson@smithknowles.com
- Mark H. Howard Mark.H.Howard@irsounsel.treas.gov
- Mary Margaret Hunt hunt.peggy@dorsey.com, brown.patricia@dorsey.com; smith.ron@dorsey.com; slc.lit@dorsey.com
- David W. Hunter davidh@dixontruman.com
- Annette W. Jarvis jarvis.annette@dorsey.com, smith.ron@dorsey.com; slc.lit@dorsey.com; brown.patricia@dorsey.com
- Justin Calvin Jetter jjetter@utah.gov
- Michael R. Johnson mjohnson@rqn.com, sglenening@rqn.com; docket@rqn.com
- Derek Langton ecf@parsonsbehle.com
- David E. Leta dleta@swlaw.com, wsmart@swlaw.com
- Steven G. Loosle sloosle@klmrlaw.com, ljavadi@klmrlaw.com
- Adelaide Maudsley maudsley@chapman.com, jemery@chapman.com
- Krikor J. Meshefejian kjm@lnbyb.com

- Thomas A. Mitchell tommitchel@utah.gov, brigidcarney@utah.gov
- Carolyn Montgomery cmontgomery@cnmlaw.com
- M. Eric Olmstead eolmstead@barney-mckenna.com
- Mitchel H. Perkiel mitchel.perkiel@troutmansanders.com, harriet.cohen@troutmansanders.com
- William C. Price wprice@thorpreed.com
- Michael J. Roeschenthaler mroeschenthaler@mcguirewoods.com, tcollins@mcguirewoods.com
- R. Craig Schneider randall.c.schneider@irsounsel.treas.gov
- Nathan Seim seim.nathan@dorsey.com
- Steven R. Skirvin srs@dkclaw.com
- Quinn A. Sperry qsperry@mbt-law.com, tmoore@mbt-law.com
- Erin M. Stone ems@princeyeates.com
- Steven C. Strong scs@pkhlawyers.com
- Gerald H. Suniville gsuniville@vancott.com, bhammond@vancott.com
- Engels Tejada etejada@swlaw.com, kquick@swlaw.com
- Michael F. Thomson mftnotice@djlplaw.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov

Thomas R. Barton  
VanCott Bagley Cornwall & McCarthy  
36 South State Street, Suite 1900  
Salt Lake City, UT 84111-1478

Bruce Thomas Beesley  
50 West Liberty Street, Ste 410  
Reno, NV 89501

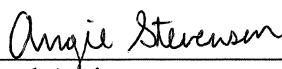
Lawson Products, Inc  
1666 E. Touhy Avenue  
Des Plaines, IL 60018

Edmond "Buddy" Miller  
1610 Montclair Avenue, Suite C  
Reno, NV 89509

Christopher Grivakes  
Affeld, Grivakes Zucker LLP  
12400 Wilshire Blvd., Suite 1180  
Los Angeles, CA 90025

Ronald W. Crouch  
McGuire Woods LLP  
EQT plaza  
625 Liberty Ave. 23 Floor  
Pittsburgh, PA 15222-3142

Justin E. Scott  
Babcock Scott & Babcock  
505 East 200 South, Suite 300  
Salt Lake City, UT 84102

  
\_\_\_\_\_  
Legal Assistant